

ARTICLE APPEARED  
ON PAGE 3

CHICAGO TRIBUNE  
30 July 1981

# FBI probes death in spymaster case

© 1981 Chicago Tribune  
Chicago Tribune Press Service

NEW YORK — It was around Easter-time that Dennis McNell took his 16-year-old son into an upstairs bedroom and gave him several thousand dollars in "emergency money" — just in case.

Six weeks later McNell, 41, returned home from jogging in crippling pain. He was hospitalized but died 10 hours later from massive internal bleeding. No exact cause of death was given, and, oddly, no autopsy was performed.

When he died June 1, Dennis McNell was an obscure, not prosperous New York businessman. No New York newspaper carried his obituary.

By this week, the mystery of McNell's death had become a factor in the unfolding story surrounding Max Hugel, the CIA's former chief spymaster and top aide to CIA Director William Casey.

AN FBI SPOKESMAN said Tuesday that FBI Director William Webster was getting regular reports on the bureau's probe of McNell's death. The Senate Intelligence Committee, which is looking into Casey's affairs, was known to have heard that McNell died violently.

McNell's widow, Jean, told The Tribune that her husband had been acting strangely in the six months before his death. Twelve hours after that interview, the FBI contacted Mrs. McNell, and she abruptly canceled a follow-up interview.

The reason for the posthumous interest in McNell is his link to Hugel, the flamboyant sewing machine importer whom Casey appointed to be chief of the CIA's clandestine service.

McNell's sudden death June 1 came one week after his two brothers, Samuel and Thomas, first contacted the Washington Post to accuse Hugel of joining them in an illegal stock manipulation deal in 1974.

THE ACCUSATIONS, when published two weeks ago, led to Hugel's immediate resignation. He denied the charges, however, and said the McNells were trying to blackmail him.

The two surviving McNell brothers vanished two weeks ago. Directors of Triad Energy Corp., a New York firm controlled by the brothers, said about \$3.3 million was missing from Triad and a second firm they ran.

One of the Triad directors, a Chicago businessman named Stanley Kielmar, then told the FBI that Dennis McNell, who also worked for Triad, was "abducted and beaten" twice this year, once in April or May and a second time just before his death.

Kielmar, in his statement to the FBI, said he "assumed" the alleged beatings were connected to the brothers' dealings with Hugel, and he interpreted them as "a warning for the McNells to cool it with Hugel."

Kielmar, in an interview with The Tribune, said he had heard from someone in New York of the two beatings of Dennis McNell but was unable to give his source. As far as is known, there are no police or hospital records to corroborate his story, nor is there any independent evidence linking the death to Hugel.

HOWEVER, WILEY THOMPSON, an FBI spokesman, said the FBI's probe of the Hugel-McNell case had been broadened in the last five days to include the death of Dennis McNell.

Thompson said the scrutiny of Dennis McNell's death was still in the "preliminary stages," but that the overall investigation of the McNell brothers was "going to be very detailed."

Mrs. McNell told The Tribune that her husband had never indicated to her that he had been beaten, even on the night he died, but she said she noticed changes in her husband's behavior about six months ago.

"All during our marriage, my husband would confide in me," she said, "but during the last six months, he just sort of clammed up. Whenever I asked him what was wrong, he would say everything was OK, not to worry."

Mrs. McNell said she always had paid household bills out of a joint checking account, but then her husband started paying the bills himself, often using money orders.

"HE REALLY seemed to care a lot that everything be paid up," she said. "It was like he wanted to wipe everything clean."

She said that near Easter time, her husband took their son upstairs for an unusual talk.

"He told him that he (the father) might be going away soon, but that there was nothing to worry about," Mrs. McNell said.

Dennis then gave his son an envelope that contained what he called "emergency money" and told him to give it to his mother if anything happened to Dennis. After Dennis' death, the son gave the envelope to her, she said. She said it held "a few thousand dollars."

THE FAMILY LAST ate a meal together the evening of May 31 in their modest home in the Queens borough of New York City. After dinner, Mrs. McNell said, her husband went out jogging, a frequent recreation.

She said her husband had suffered for years from diabetes but had the disease under control and, on that evening, apparently felt fine, but within an hour, he returned home violently ill. He collapsed on his bed, then was seized with the "dry heaves" and excruciating abdominal pains.

She said he insisted that she not call a doctor or ambulance. After a half hour, however, she called his brother Tom at her husband's request, and the brother told her to call an ambulance.

When the ambulance and paramedics arrived, Dennis protested loudly that he did not want to go to a hospital, she said, but the paramedics found he had extremely low blood pressure, apparently from internal bleeding, and he was rushed to the City Hospital Center, a large and modern city-owned hospital a mile away.

Doctors worked through the night on him. About 4:30 a.m. on the morning of June 1, Mrs. McNell said, the doctors told her that they thought her husband had a ruptured spleen. They had her sign a form authorizing surgery.

AS HE WAS BEING prepared for surgery, he died, at 6:15 a.m. With Mrs. McNell at the hospital were the two brothers.

CONTINUED